



What is wrong with Interest?

afg

Ansar Finance Group

Islamic Finance for the Community by the Community

What is wrong with Interest?

Islamic point of view

Interest has been declared Haram (forbidden) by Allah (SWT)

“... O you who believe! Fear Allah and give up all outstanding interest if you truly believe. But if you do not do so then be warned of WAR from Allah and His messenger...”

Holy Qur'an Surah 2: Verse 278 & 279

The Prophet Muhammad (peace be upon him) has said

“Allah (SWT) has cursed the receiver, the giver of interest and also the witness and the one who writes down the transaction; they are all alike.”

Muslim and Tirmidhi.

Effect on Economy

Interest creates economic enslavement rather than real growth and prosperity to society. Overall Banks make money but not the businesses or the individuals.

Profits of “Banks” vs “All other Industries”

Countries	Banks (US \$Bn)	All other industries (US \$Bn)
United Kingdom	20.26	-0.97
France	7.99	-2.41
Spain	4.8	4.1

Source: figures shown are total profits appearing in the Fortune Global 500 survey for 2001 (see Fortune, Vol. 146, No.2, Europe, August 2002)

“If the American people ever allow the banks to control the issuance of their currency, first by inflation then by deflation, the banks and corporations that will grow up around them will deprive the people of all property until their children will wake up homeless on the continent their fathers occupied. The issuing power of money should be taken from the banks and restored to Congress and the people to whom it belongs.”

**Thomas Jefferson on Banking, the Writings of Jefferson, vol. 7, p.685,
Committee of Congress Washington DC 1861**

Social aspects of interest

Interest is zulm and oppression on society. It is a social injustice, it creates resentment between rich and poor.

The needy person has to pay back more than the amount borrowed. The rich become richer and the poor become poorer. Eventually, economic classes of rich and poor are created. This leads to oppression and economic enslavement of peoples and nations.

“New estimates show that the world’s 225 richest people have a combined wealth of over US\$1 trillion, equal to the annual income of the poorest 47% of the world’s people”

Source: UNDP Human Development Report 1998

Morals and Ethics

Borrowing is a “need” of a person; it is the lack of a person’s required resources and it is wrong to capitalise on one’s need. Charging a gain on a person’s need is adding further burden on the person and therefore immoral and unethical.

Interest is a gain on lending that is not acceptable. One should either give a kind Godly loan (Sadaqa) without charging a gain (interest), or a loan in the form of an investment where all the parties share pre-agreed gains and the risk of losses.

What is the solution?

It’s simple, an Interest-free finance. Which is also the core ethics and mechanism of “Islamic” or “Shariah approved” financial systems, better known as Islamic Finance.

Central to the concept of Islamic banking is “Islam’s prohibition of Interest”. In effect this means that charging interest, or making loans with the promise of a fixed return is forbidden. Banks must instead take a share of the profit or loss made by the borrowers. As a result, such Islamic financial institutions have three distinguishing features, they are:

- **interest-free**
- **multi-purpose and not purely commercial**
- **strongly equity-oriented**

What are the benefits?

Conventional Finance / Capitalism

- No control on pursuit for profit: if borrowers occur a loss in a venture the lenders still demand the principal principal sum plus the interest incurred
- Leads to monopoly and acquisitions activity: polarising market forces creating imperfect competition
- Greed driven: Man is instinctively greedy
- Self interest only
- Yes to:
 - Interest - Riba
 - Gambling - Masir
 - Speculation - Gharar
 - Hoarding
 - Haram trade

Leads to monetary injustice and economic enslavement of individuals and countries.

Islamic Finance

- Market forces allowed: the loss in any venture is shared by all parties concerned according to respective ratio of investment
- Common good for all community: competition is healthy and beneficial for the general community
- God driven: Need to subdue personal greed
- Just and Fair for all
- Yes to:
 - Profit and Loss
 - Effort and Reward
 - Real wealth
 - Sharing the Wealth
 - Halal Trade

Creates a balance between profit, charity and develops a just economic system

Can Islamic Finance work? Is it practical in this day and age?

Islamic Finance is as practical as we (the individuals and the community) want to make it. Some time ago the alternative didn't exist but today it does. Even though the models aren't perfect, it is the community's responsibility as a whole to make it viable by their participation and support.

Our Commitment

- *afg* is fully committed to provide this alternative for all the reasons why interest is wrong and for the general betterment of the whole society.
- *afg* has made more than a start in providing

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Our Vision

To raise awareness of the implications of interest and its consequences on the society, the environment and the economy.

To establish a complete interest-free financial system, embodying Islamic, ethical and social values for the betterment of the society as a whole.

Brief History

Since our formation in 1994, Ansar Finance Group (*afg*) has been providing the Muslim community of the United Kingdom with:

- Interest-free personal loans - saving thousands of pounds in interest and retaining this wealth within the community
- Islamic home finance - allowing Members to avoid conventional mortgages
- Opportunity to invest and earn Halal returns

“Whoever desires the reward of this world - then with Allah is the reward of this world and the Hereafter. And ever is Allah Hearing and Seeing”

Holy Qur'an Surah An-Nisa: Verse 134

afg has a steady growth of membership. We aim to serve the community with:

- a complete solution and an alternative to interest-based finance
- a system which is equity based and approved by Islamic Shariah laws
- mechanisms to enhance the social and economic well-being of the community
- mechanisms to employ community wealth for the common good

Forthcoming Products

- Islamic Insurance (Takaful), Car Leasing and Commercial Property Development ventures.

Making Interest-free finance a Reality since 1994...



How do you fit in?

afg is an organisation created by the community for the community. None of its projects will be successful without your participation.

We invite you to join *afg* immediately as a supporter, after which it is entirely up to you as to how serious you are in making Islamic Finance a reality in the UK.

There are a wide variety of ways you can make a positive contribution to this project.

*"The intelligent person sees with the heart, the result from the beginning.
The one lacking in knowledge only discovers it at the end."*

Jalaluddin Rumi

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Types of Membership

Membership Type	Criteria	Benefits
STANDARD (free)	Agrees with and supports the ethos of <i>afg</i> projects	<ol style="list-style-type: none"> 1. Full Web Access including Member Services 2. Newsletter 3. Email/postal updates on Islamic Finance in UK 4. Invitation to Public talks 5. Opportunity for Halal investment 6. Sharia Compliant Home Finance 7. Membership discount scheme level 1
SILVER 	As above plus any one of: <ol style="list-style-type: none"> 1. Pay £10 per month (a Sadaqa Jaria) 2. Head of Islamic organisation (i.e. Imam, Chairman, Trustee etc.) 3. Privileged Member (i.e. pensioner) 	As above plus <ol style="list-style-type: none"> 1. Possibility to obtain Interest-free loans 2. Free Invitation to Annual Members' Dinner 3. General <i>afg</i> mailshots 4. Membership discount scheme level 2



If you desire the betterment of the entire community,
join Ansar Finance Group today.

*"You are indeed the best community which has been brought forth
for the good of mankind; enjoining what is right, forbidding what is
wrong, and believing in God..."*

Holy Qur'an, Surah Al Imran: Verse 11

FOR MORE INFORMATION PLEASE CONTACT ANSAR FINANCE
GROUP USING THE DETAILS BELOW.

Ansar Finance Group, Ansar House, 61 Kingsway, Manchester, M19 2LL

T +44 (0)161 225 8900

E admin@ansarfinance.com

W www.ansarfinance.com

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